Tab 4

New York, NY

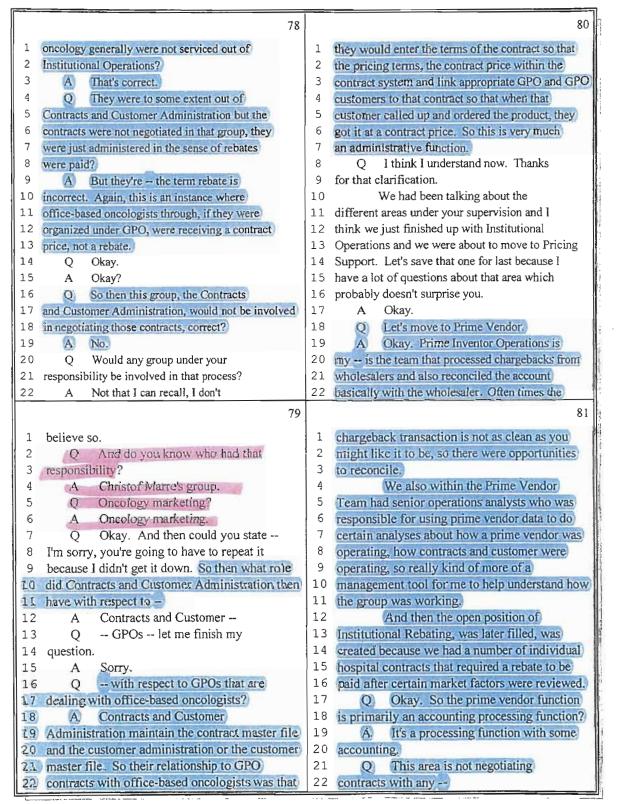
August 12, 2005

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THE UNITED STATES DISTRICT COURT	
FOR THE DISTRICT OF MASSACHUSETTS	
MDL Docket No. 01Cv12257-PBS	
*	
In re: PHARMACEUTICAL INDUSTRY)	
AVERAGE WHOLESALE PRICE)	
LITIGATION)	
*	
THIS DOCUMENT RELATES TO:)	
ALL ACTIONS)	

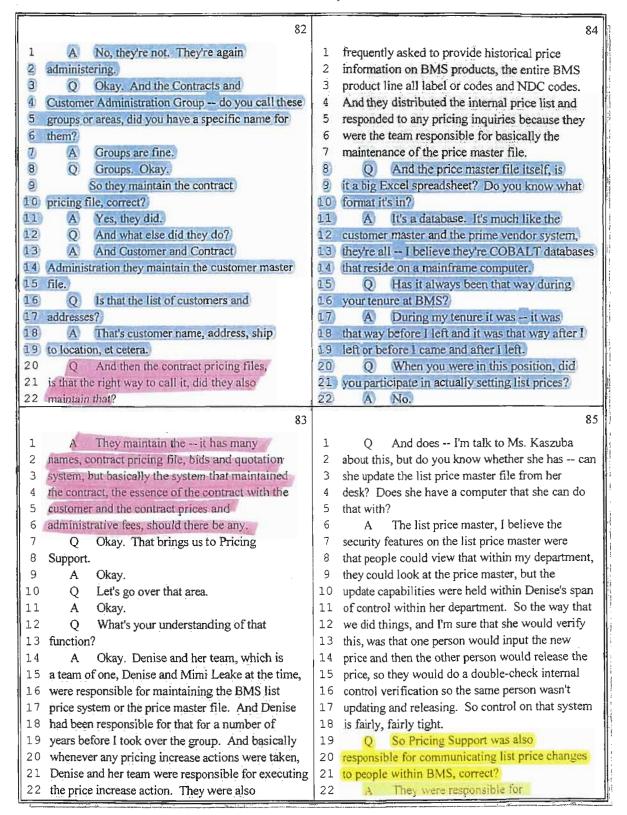
Friday, August 12, 2005	
New York, New York	
Time: 9:06 a.m.	
Deposition of DIANNE C. IHLING, held at	
the offices of Hogan & Hartson, LLP, 875 Third	
Avenue, New York, New York, as taken before	
Josephine H. Fassett, a Shorthand Reporter and	
Notary Public of the State of New York.	

Henderson Legal Services (202) 220-4158

August 12, 2005



August 12, 2005



August 12, 2005

New York, NY

	Page 86		Page 88
1	communicating changes in list price to BMS and	1	e-mailing some customers because they had
2	also to the data services and wholesalers, et	2	requested an e-mail versus a fax, but I don't
3	cetera.	3	recall exactly who those were or at what time that
4	Q Let's take those one at a time.	4	
5		5	may have occurred.
	So BMS, what kind of people would		Q Do you recall any use of Western
6	receive communications of price increases?	6	Union?
1	A Internally?	7	A Oh yes, yes. Sorry. Yeah, Western
8	Q Internally.	8	Union.
9	A I know that everyone in Pricing and	9	Q I thought I saw that somewhere.
10	Reimbursement received that but I don't have a	10	And then you also mentioned
11	clear recollection of okay, something just came	11	publications. When you used the word
12	back to me.	12	"publications," who were you referring to?
13	Folks within the order to cash	13	A Denise would send the price increase
14	stream would have received that. So customer	14	information to FirstData Bank, Redbook and I
15	service, customer financial services, probably	15	believe MediSpan was the third one.
16	trade sales and operations and everyone in	16	Q Did you have any personal contact
17	pricing and reimbursement, but beyond that I	17	with representatives of those three organizations?
18	can't, I can't specifically recall the	18	A Not that I can recall.
19	distribution of the internal price list or the	19	Q Was Denise the primary point of
20	notification	20	contact with those
21	Q Sales force?	21	A Yes, she was.
22	A Pardon?	22	Q And then are you familiar with what
	Page 87		Page 89
1	Q What about the sales force?	1	the publications would then do with the list
2	A I'm not sure who in the sales force	2	prices?
3	received that information or if they did.	3	A Could you be more specific?
4	Q You mentioned wholesalers?	4	Q When you reported the list prices
5	A Yes, wholesalers.	5	and the publishers then did something with them,
6	Q Which wholesalers? Give me	6	right?
7	examples.	7	A The publishers, I mean, we would
8	A The wholesalers I mean, we pretty	8	report the list price to the data services and
9	much worked with every wholesaler that was around	10000	then they would publish their Average Wholesale
10	at the time. So we would send, Denise and Mimi	10	Price or AWP.
11	would send them documents indicating that a price	11	Q And do you know how they obtained
12	increase had been taken. And I think at the time	12	that AWP?
13	they were faxing it but they may have also sent an	13	A To the best of my knowledge it's a
14	e-mail, I'm not entirely sure. So McKesson,	14	calculation that they performed.
15	Bergen, MeriSource, just the whole range of	15	
16	wholesaler customers were notified of the change.	16	Q And they apply a markup factor?A I believe that it's called that.
17		17	A REAL PROPERTY OF THE PROPERT
18	1	18	
19	,	SAME WELL	markup factor was used by FirstData Bank?
1	3	19	A I believe that the market factor
20	, , , , , , , , , , , , , , , , , , , ,	20	used by FirstData Bank ranged between I think 20
21	1	21	percent and 25 percent.
22	that well, I'm pretty sure that they started	22	Q And do you know what determined

23 (Pages 86 to 89)

August 12, 2005

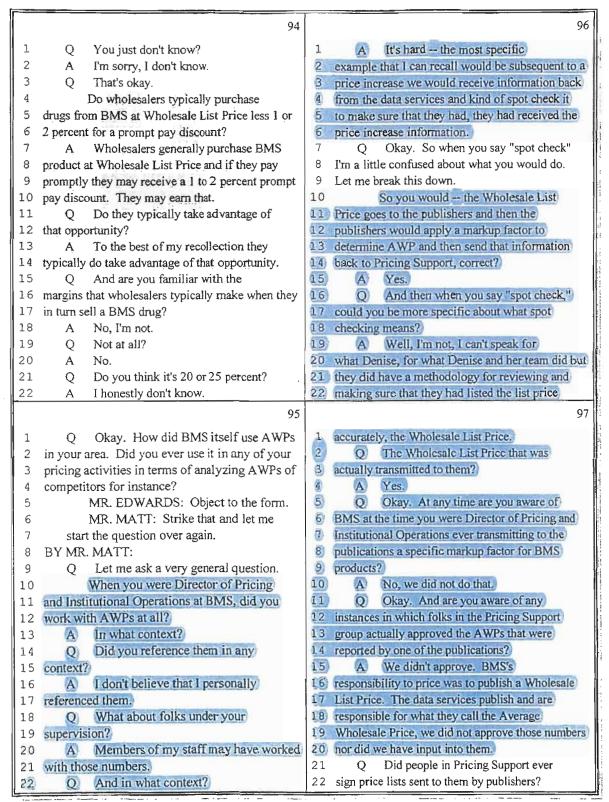
New York, NY

	Page 90		Page 92
1	whether it was 20 or 25 percent?	1	MR. MATT: I didn't finish it.
2	A No.	2	BY MR. MATT:
3	Q How about for Redbook, are you	3	Q Are you aware that Medicare used it
4	familiar with the markup factor applied by	4	as a reimbursement benchmark in its formula
5	Redbook?	5	reimbursing for Part B drugs?
6	A I always assumed that it was the	6	MR. EDWARDS: Objection.
7	same but I don't know, I don't know specifically.	7	A I'm vaguely aware of that, I don't
8	Q Okay. And did you at any point in	8	have specific knowledge of it.
9	time in your responsibilities as Director of	9	Q So you're more familiar with the use
10	Pricing and Institutional Operations work with the	10	of AWP to have at the pharmacy level because of
11	publications on determining that markup factor?	11	your prior experience working at CareMark or, I'm
12	A No, never.	12	sorry, PCS?
13	Q How are AWPs used in the industry	13	A I am more familiar with the
14	based on your experience?	14	reimbursement constructs of a large PBM.
15	MR. EDWARDS: Object to the form.	15	Q In your experience they were all
16	Used by who?	16	based on AWP, correct?
17	MR. MATT: Just, you know,	17	A To the best of my recollection.
18	industry well, strike that, I'll be more	18	MR. EDWARDS: Objection. Note my
19	specific.	19	objection.
20	BY MR. MATT:	20	Go ahead.
21	Q Would you agree that during the time	21	Q To the best of your recollection
22	you were employed by BMS that governmental and	22	yes?
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	Page 91		Page 93
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		1 2	and the second s
1	Page 91 private payers had adopted an industry practice of		Page 93 A To the best of my recollection most
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24 (Pages 90 to 93)

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